



**Submission of the  
Department of Racing, Gaming and Liquor**

Joint Select Committee on Gambling Reform

Inquiry Into The

National Gambling Reform Bill 2012

National Gambling Reform (Related Matters) Bill (No1) 2012

National Gambling Reform (Related Matters) Bill (No2) 2012

## **Introduction**

On 2 November 2012, the Hon Jenny Macklin MP, Minister for Families, Community Services and Indigenous Affairs; Minister for Disability Reform, introduced into the House of Representatives legislation aimed at reducing harm caused to people due to playing electronic gaming machines (EGMs).

The Joint Select Committee on Gambling Reform has invited submissions on its inquiry in relation to the three National Gambling Reform Bills.

## **Background**

The proposed Bills aim to reduce the incidence of problem gambling and the harm caused by problem gambling and requires venues to have a pre-commitment system available for patrons to access in order to curb the spending and time spent gambling on EGMs.

The Bills require that:

- new machines manufactured or imported from end of 2013 be capable of supporting pre-commitment;
- all gaming machines are part of a state-wide pre-commitment system, and display electronic warnings, by 2016, with longer implementation timelines for small venues; and
- a \$250 a day ATM withdrawal limit for gaming venues (other than casinos).

The Bills also establish (amongst other matters):

- provision for a supervisory levy and a gaming machine regulation levy;
- a Regulator, penalty regime, a monitoring and enforcement regime, and arrangements to support the privacy of gaming machine users;
- an Australian Gambling Research Centre; and
- two further Productivity Commission inquiries.

## **Issues**

The legislation defines a gaming machine to be a device (whether wholly or partly mechanically or electronically operated) that is designed to be used:

- for playing a game of chance, or mixed game of chance and skill;
- by inserting a token, coin or banknote etc; and
- to make bet and provide winnings or other rewards.

The Explanatory Memorandum clarifies that the definition of gaming machine is intended to include devices currently known as poker machines, electronic gaming machines and slot machines. It specifies that the proposed legislation does not intend to cover devices that lotteries, keno and skill testers can be played on.

As the definition of gaming machine does not intend to capture devices that allow lotteries to be played on, Western Australia contends that Video Lottery Terminals (VLTs) permitted under the Gaming and Wagering Commission Act will not be captured under the proposed legislation.

If the contrary view is held by the Commonwealth then Western Australia strongly supports that these devices being prescribed in regulations under the *National Gambling Reform Bill 2012* as devices not to be considered as gaming machines on the basis that:

- The maximum subscription to purchase a video lottery ticket is \$1;
- The maximum credit cannot exceed \$20;
- The highest valued prize is \$500 per series of tickets;
- Note acceptors are not permitted on a video lottery terminal;
- Winnings cannot be dispensed as a direct cash payout from the device – winnings are printed on a ticket and then redeemed for cash at the premises;
- Winnings cannot be converted on the device into credits;
- Devices are not capable of providing jackpots; and
- There is no provision on any device to increase the cost of play relative to the greater win/prize.

In relation to meeting the pre-commitment requirements under the proposed legislation, Western Australia only permits EGMs to be played in the licensed casino; that is, Crown Perth. In this regard:

- Crown has a pre-commitment program that is offered across all EGMs and is monitored through the IGT Advantage system implemented in 2010.
- Crown's pre-commitment facility allows a patron to establish their own pre-commitment limits based on either the amount they wish to spend or the amount of time they wish to gamble in a 24 hour period.
- Patrons can obtain player activity statements.
- When a patron reaches their pre-determined limits a message is displayed on a screen attached to the EGM terminal and a notification is sent to the Responsible Service of Gambling team notifying them of the details of the player that has hit their limit.

Western Australia is concerned with the imposition of levies on EGMs and holds the view that levies should be the domain of the jurisdictions authorising the operation of such devices. Western Australia strongly supports State and Territory Governments being further consulted in relation to levies to ensure existing taxation regimes are not adversely impacted upon, or unforeseen consequences are realised that could lessen the effectiveness of long standing and successful policies.

### **Conclusion**

The Western Australian Government has a reputation for maintaining a strong and responsible approach to the regulation of gambling. This is particularly attributed to the long standing government policy of prohibiting the licensing of electronic gaming machines outside of the licensed casino.

Western Australia, compared to the rest of the country, is unique as it has continued to restrict the proliferation of electronic gaming machines into the wider community through licensed hotels and clubs.

Restricting electronic gaming machines to a single outlet; creates a destination gambling environment that requires consumers to make a conscious decision about their gambling expenditure and does not provide for opportunistic gaming as experienced in other jurisdictions where gaming machines are far more accessible through a network of hotels and clubs.

As a consequence of Western Australia's unique position in the gaming landscape, the Productivity Commission draws the connection that Western Australia's low prevalence of problem gambling can be attributed to permitting destination gaming and not having available in the wider community electronic gaming machines.

Consequently, Western Australia would welcome an opportunity to be consulted on matters that have the potential to lessen long standing and successful policies in relation to the regulation of gambling in this state prior to any reform measures coming into operation.